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ONE HUNDRED SIXTH CONGRESS

Congress of the United States
House of Representatives

COMMITTEE ON GOVERNMENT REFORM
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6143

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INDEPENDENT

January 21, 2000

Dear Colleague:

Earlier this month, it appeared that the efforts of many members of Congress to provide prescription drug coverage for seniors and end price discrimination could be succeeding. Although the drug industry has long fought our efforts, Gordon Binder, the chairman of Amgen, said in an interview with the *New York Times* that the industry has had a change of heart.

According to Mr. Binder, "That was then, and this is now. We sense that all sides are moving in more of a positive direction to get something done. We want to be part of that."¹ A recent ad by PhRMA, the industry trade association, proclaimed: "It's time for a breakthrough in the Medicare debate."

Unfortunately, however, internal industry documents from a January 19 meeting of PhRMA's "Public Affairs Section" raise questions about the industry's new commitment to helping seniors obtain affordable medications.

One document distributed at the meeting is a calendar of activities planned by PhRMA in January and February. Many of these activities seem designed to reduce -- not build -- support for prescription drug coverage. For example, they include:

- A state media tour that seeks to justify the industry practice of charging higher prices to U.S. seniors than to Canadian citizens;
- The release of reports by surrogates who are on record as opposing plans to provide meaningful drug benefits to seniors;
- An "anti-Allen bill mailing"; and
- Paid advertisements, phone banking, direct mail drops, and "grass tops" letters.

I have enclosed a copy of this calendar because I thought it would be helpful for you to have an opportunity to review the activities PhRMA is planning -- especially if you will be a target of PhRMA's manufactured grass roots campaign.

¹*Drug Makers Drop their Opposition to Medicare Plan*, New York Times (Jan. 14, 2000).

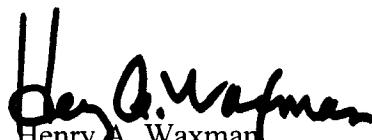
Dear Colleague
January 21, 2000
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The documents also show that some of our most vociferous critics are candidates for drug industry funding. Robert Goldberg, who represents the "Ethics and Public Policy Center," wrote letters and op-eds in many members' districts last year attacking our efforts to focus attention on the plight of seniors who cannot afford their medications. Now he's sent a memo to Alixe Mattingly, PhRMA's senior vice president for public affairs, saying "Let's keep this going" and asking for financial support from drug companies.

The documents also indicate that Alan Holmer, PhRMA's president, had a meeting scheduled with Betsy McCaughey Ross to discuss funding her efforts, which include publishing op-eds in national newspapers on "how President Clinton's Medicare plan would limit [seniors'] access to ... medications and tie their doctor's hands." Ironically, this meeting was scheduled in the same week that Mr. Holmer was quoted in the *Washington Post* talking about the industry's "strong desire" for "expanded coverage for seniors."²

I continue to hope that the drug industry will decide to work with us in a genuine effort to bring relief to millions of seniors across the nation. Regrettably, these internal documents seem to indicate that PhRMA's cynical campaign to mislead and scare seniors will continue.

Sincerely,



Henry A. Waxman
Ranking Minority Member

Attachments (4)

²*Prospects for Medicare Prescription Benefit Grow*, Washington Post (Jan. 15, 2000).

PUBLIC AFFAIRS SECTION MEETING

January 19, 2000

9:30 AM to 1:30 PM

*The Madison Hotel
15th & M Streets, NW
2nd Floor, Executive Chambers 1 & 2
Washington, DC 20005*

Opening Remarks and Introductions	Alixé Mattingly
Medicare Update	Alixé Mattingly
Ally Development/Grassroots Mobilization Update	Wes Metheny
Researcher Fly-In Event/Innovation Day Proposal	Wes Metheny
Media Relations Update	Jackie Cottrell
Advertising Update	Alexandra Bickel
Citizens for Better Medicare Update	Timothy Ryan
Member Company Activities "Best Practices"	Open Discussion
<u>Other</u>	
Privacy Regulations	Valerie Volpe
Y2K Summary	Mark Grayson

Lunch Will Be Served

Pharmaceutical Research and Manufacturers of America

1100 Fifteenth Street, N.W. Washington, D.C. 20005 (202) 835-3400

January

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
						1
2	3 Grass tops letters conf.	4	5 Employer/Health/Think Tank Ally Meeting	6 AD Sec Call on Educ. Allies on SOTU Fed Sec Mtg	7 Heimbold mtg. (NYC)	8
9	10 Pre-SOTU Polling; Goldberg study; Canada access; HIAA Hill briefing; drug costs	11 Atlantic Monthly briefing CEO edit call - Gilmartin	12 AD Call on Educ. Emp. SOTU; AIM Hill Medi. Briefing (Private Sec Qual); Sperling, Summers mtgs.	13 PhRMA Executive Committee	14 CSE Paper (T)	15 Polling on Breaux-Frist (T)
16 NCPA Papers: MA Proposal, Drug Store Mark-up, Myths about Profits	17 PhRMA ads begin; CBM ads begin; Direct mail drop; CBM phone banks	18 RNC Health LA Briefing; PhRMA annual press briefing; Release HHS/Clinton studies	19 PA Section mtg. CEO edit call-Taurel; PhRMA release of polling data	20 Hispanic BRT Survey; Hill Briefing; Holmer HMC Council speech	21 Canada day release (Fraser, Lewin) and Hill Briefing Calgary Herald ad	22 State media tours on Canada begin (MN,WA,VT, MA,ME,MI, MT,OR)
23 Two Heritage Papers: Canada & Clinton Plan BIO DC ads and studies; CBM ad	24 Ads continue; Hill Leg staff briefing	25 SOTU Ally Organizing meeting	26 Tape Holmer response to SOU; CAHI press conf. In Orlando	27 SOTU; feed Holmer response Ind. Institute ad	28 AEI Price Control Overview Book Released; Develop post-SOTU messages & polling	29
30	31 Primer ready(T) ; Ads continue; Release price control study (T)					

2000

February

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
		1 CEO edit call - (Zenner) State Media tours on price controls begin	2 NTU study release Holmer - AARP	3 Release of CAHI study on uninsured	4 NCPA Briefing on Cost Analysis of Breux/Frist	5
6 Goldberg study briefing: impact on cancer patients (T)	7 Greenberger release on Canada/women (possible Hill briefing)	8	9 Release of CAGW study on MoC plan vs. Clinton	10	11	12
13	14 PhRMA Release of premium increase study	15 Anti-Allen bill mailing (T)	16 Release of 3 rd Millennium study on Clinton plan PhRMA-AMA Dinner	17 PhRMA Board Meeting CEO edit call (Binder)	18	19
20	21 Small Biz Survival Committee roll-out begins	22 Activist KIT II mailing (T)	23 Release of Economic Impact of Rx industry study (national & states)	24	25	26
27 HIMA Studies: Value of Tech; Re- imbursements	28 Tozzi Study (T)	29				

2000

ETHICS
♦ AND ♦ 1015 Fifteenth Street N.W.
PUBLIC Washington, D.C. 20005
POLICY telephone (202) 682-1200
CENTER fax (202) 408-0632

January 17, 2000

To: Alixe

From: Bob Goldberg

Subject: Support in The Gathering Storm

As you know, last year I put out a steady stream of articles (see attached samples), did dozens of radio interviews and participated in a number of live and televised forums on the issue of prescription drug coverage. I plan to renew this effort. Additionally, I have been asked by several organizations to do papers, articles, editorials on various issues ranging from responses to the charge that the pharmaceutical industry is not paying its 'fair share' in taxes to the impact of a government run drug plan on the future of biomedical research to the canard that somehow 'we' (meaning government and insurance companies) can't afford the future stream of new drugs. I also want to work with other policy types and editorial writers to bring them into the fray. Needless to say, I am also help in getting organized in the months ahead.

Ironically I have been so busy that I have not had time to reach out to the right people for such additional funding. So now I am asking your help to help me contact the appropriate individuals in various companies to support my research and writing.

You know that I have made an impact and regard what I do as a mission, not just a academic pursuit. Let's keep this going. Thanks.



Mr. Alan Holmer, President and CEO
Pharmaceutical Research and Manufacturers of America
1100 Fifteenth Street NW
Washington, D.C. 20005

Dear Mr. Holmer,

January 7, 2000

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INDIANAPOLIS
WASHINGTON
MONTREAL

I am looking forward to meeting with you on Tuesday. To be helpful to you, I have assembled some materials for you, including a list of my recent publications and my resume. As you can see, I publish regularly in *The New York Times*, *The Wall Street Journal*, *USA Today*, *U.S. News & World Report*, *The New Republic*, *The Los Angeles Times*, *The Daily News* and many other newspapers and magazines. My skill is not only as a scholar but also as a highly effective, popular communicator. I appear frequently on television talk shows on CNN and other networks.

Also enclosed are two recent newspaper pieces on how pharmaceutical innovation will help control health care costs and a piece, directed at seniors, on how President Clinton's Medicare drug plan would limit their access to the newest, most effective medications and tie their doctor's hands.

Finally, you will see enclosed an article "No Exit" that I wrote in 1994, warning of the dangers of the Clinton health plan. The article had an enormous impact, and helped turn the political tide. It was reprinted in *Readers Digest*, as well as newspapers across the nation, and it won the National Magazine Award for the best article in the nation on public policy, and the H.L. Mencken Award.

I am asking Pharma to support my work at the Hudson Institute, because my writings on health care policy can make a substantial difference in public opinion and in the nation's capitol. My track record proves it.

Again, I look forward to meeting with you on Tuesday at 11:30. Thank you for taking the time.

Sincerely,

Betsy McCaughey Ross
Betsy McCaughey Ross

SOLVING TOMORROW'S PROBLEMS TODAY